

Budget Unit Brief

FY 2017



Entrepreneurs With Disabilities Program

Program Overview

The Division of Iowa Vocational Rehabilitation Services (IVRS) works in collaboration with the Iowa Department for the Blind to administer the Iowa Self-Employment (ISE) Program, also known as the Entrepreneurs With Disabilities (EWD) Program. The purpose of the Program is to provide business development funds in the form of technical assistance (up to \$10,000) and financial assistance (up to \$10,000) to qualified Iowans with disabilities who start, expand, or acquire a business within the state of Iowa.

Clients of the IVRS or the Department for the Blind may apply for the Program if all of the following circumstances are met:

- The IVRS may limit or deny ISE assistance to an applicant who has previously received educational or training equipment from the Division through another rehabilitation program when such equipment could be used in the applicant's proposed business.
- Any equipment purchased for the applicant under this Program that is no longer used by the applicant shall be returned to the IVRS.
- An applicant must demonstrate at least 51.0% ownership in a for-profit business that is actively owned, operated, and managed in Iowa.
- Recommendation for and approval of financial assistance is based on acceptance of a business plan feasibility study and documentation of the applicant's ability to match dollar-for-dollar the amount of funds requested.
- In order to receive financial support from the ISE Program, the applicant's business plan feasibility study must result in self-sufficiency for the applicant as measured by earnings that equal or exceed 80.0% of substantial gainful activity.
- The IVRS cannot support the purchase of real estate or improvements to real estate.
- The IVRS cannot provide funding to be used as a cash infusion, for personal or business loan repayments, or for personal or business credit card debt.

The IVRS may deny ISE assistance to an applicant who desires to start, expand, or acquire any of the following types of businesses:

- A hobby or similar activity that does not produce income at the level required for self-sufficiency.
- A business venture that is speculative in nature or considered high-risk by the Better Business Bureau or similar organization.
- A business registered with the federal Internal Revenue Service as a Section 501(c)(3) entity or other entity set up deliberately to be not-for-profit.
- A business that is not fully compliant with all local, state, and federal zoning requirements and all other applicable local, state, and federal requirements.

Technical Assistance Funds

Technical assistance funds may be used for specialized consulting services as determined necessary by the counselor, the business development specialist, and the client. Technical assistance funds may be awarded up to a maximum of \$10,000 per applicant. Specialized technical assistance may include but is not limited to market analysis; marketing plans; engineering, legal, accounting, and computer services; preliminary business plan feasibility study; financial packaging; and other consulting services that require specialized education and training.

Business development specialists or counselors are available for direct consultation to each applicant to ensure that quality services for business planning are provided in a timely manner.

More Information

Iowa Vocational Rehabilitation Services: <http://www.ivrs.iowa.gov/index.html>

Iowa General Assembly: <http://www.legis.iowa.gov/index.aspx>

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Financial Assistance Funds

Following the business development specialist's evaluation and scoring of the business plan feasibility study, the business development specialist will issue a recommendation to support or not support the proposed business venture. The counselor will make a decision regarding approval or denial of the recommendation. If approved, the client and counselor will review conditions of the financial assistance award and sign the appropriate forms of acknowledgment.

- Financial assistance funds may be awarded up to \$10,000 based on an approved business plan feasibility study and evidence of business need or evidence of business progression. Before receiving financial assistance, the client must demonstrate a dollar-for-dollar match based on the amount of funding needed. The match may be provided through approved existing business assets, cash, conventional financing, or other approved sources.
- Financial assistance funds may be approved for but are not limited to: equipment, tools, printing of marketing materials, advertising, rent (up to six months), direct-mail postage, raw materials, inventory, insurance (up to six months), and other approved start-up, expansion, or acquisition costs.

Businesses

Examples of businesses started as a result of the Entrepreneur With Disabilities Program include: laser cartridge recycling plant, florist, advertising specialty firm, agricultural business, printing, artist, and dairy farmer.

Funding

The Entrepreneurs With Disabilities Program began in FY 2009. The average General Fund appropriation is currently \$145,535 annually.

Related Statutes and Administrative Rules

Iowa Code chapter [259](#)

[281](#) Iowa Administrative Code chapter [56](#)

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